

Lee explained a big part of the plan includes the agreement with the artist, the plan for selecting the artists, and deciding how long an art piece should stay at a particular location. Model agreements and processes will be developed that the City can continue to use thereafter.

When asked about the ongoing maintenance of the art features, Specht stated the artists will need to provide information on how the art will be maintained, decommissioned, and removed when it's time. She indicated Bloomington is playing a little catch up when it comes to having a policy in place to implement public art. She said there are a lot of good practices already out there from which the City can learn.

The presentation continued with a description of the process that includes the past work of the final artists in the categories of sculptor, murals, dance/theater, and landscape design. They also discussed social practice/event artists who use gatherings to build self-awareness. They provided examples of events/gatherings that have occurred in St. Paul that were designed by an artist. A map of the 12 host sites in Bloomington was shown and it was stated those hosts will be matched up with artists for the proposals. In addition, the Public Works Department has identified 9 utility boxes in the South Loop District to be decorated as part of this project for which the City is seeking artists. A map of those control box locations and some samples of decorated boxes were provided. Those boxes will be funded separately by the City.

Specht provided an update on the BTAC organization. She stated their budget has grown 45% and said BTAC became eligible for the Ivy Awards in 2013. BTAC's professional theater was recognized its first year of eligibility by winning an award for its great work as a professional theater.

Busse commented BTAC has been selected to perform a big production number from Guys and Dolls at the Ivy Awards.

Specht stated BTAC has done a lot to increase its outreach programming. She reported BTAC just received word that it will be receiving a State Arts Board grant to do some innovative programming in the women's correctional facility in Plymouth, MN. They will send two artists to work with the women who are incarcerated there. She said BTAC was also selected by Padilla, as one of their pro-bona clients, to assist with their rebranding project. She said BTAC's new name and logo will be announced in March. The new brand will send a message about BTAC's professionalism and their programming.

Lee stated the next steps will be about keeping the momentum going. Staff will back in early 2015. He said there will be choices for how the Council wants to be involved in keeping the momentum going.

Winstead said maintaining the momentum will include the activities and resources allocated to placemaking; not only in the South Loop District but throughout the community. He said to date, the funding has come from the City and a grant but it will take funding from other places to keep this moving forward. He said some communities have required a percentage of the dollar cost of the entire project to be budgeted for art creativity. He requested Lee report back to Council on what other cities have done regarding that requirement.

Lee said it's typically called Percent for the Arts. City staff hasn't embraced this idea because Bloomington is in a redevelopment stage and many developments require analysis and City participation to close gaps to make a project financially feasible. This would add another fee and widen the gap.

Winstead said the question is how the City will participate in public art going forward.

Oleson stated the Town Place Suites by Marriott has agreed to take on the maintenance of their artwork going into the future, which he sees as a civic virtue the City should celebrate.

Winstead said signage is unique within the City's Sign Code and asked if it needed to be reviewed to fit with the placemaking. Lee replied he will make note of those suggestions to have them addressed when this comes back to Council regarding maintaining the momentum into 2016.

Busse said he'd like to look at arts and creativity as an economic development tool not in the sense of what they have in Lower Town in St. Paul or for any kind of entrepreneurial business incubator. He questioned how the City can make these areas inviting to the creative types. Lee replied more information on this issue will be discussed at a future meeting.

Bernhardson said many times artists go in and rehab old, rundown buildings. It was stated City staff talked to Frauenshuh, owner of Metro Office Park, to see if their smallest building could be used for housing and artist's work spaces.

Baloga asked if staff had spoken to the people at PLACE, a self-sustaining organization and a community of artists. They build their own free-standing structures. He'll provide Lee with the name of the founder.

No action required.

6.2 Alternative Transportation Plan Update

Requested Action: Receive a status update on the Alternative Transportation Plan (ATP) Update, a review of the public feedback received to date through outreach opportunities, and discuss the next steps in the Plan development. Council to ask questions and provide guidance in the Plan development.

Civil Engineer Amy Marohn and Michael McGarvey, SRF jointly presented this item on the status of the ATP Update. They reported several meetings have been held with the stakeholders and reported the public engagement process has concluded. They indicated they're working with Hoisington Group, a consultant team, and described the composition of the Study Advisory Committee (SAC), a variety of City staff. They provided an overview of the layout of the draft ATP Plan, which is two-thirds of the way complete. The next phase will be to develop the draft document after getting final input from the Study Advisory Committee, the Council, and the public. The public process was described. A summary of the online survey results was provided. It was stated connections to adjacent communities was a big concern for the respondents. They reported a lot of discussion took place about the trails around the west side of the Hyland Lake area and the connections across the Minnesota River during the open houses.

They showed the 2008 ATP Map and described the significant changes that have been made. They explained key points were the Xcel trail corridor to the east of Portland Avenue and the identification of the Portland Avenue corridor as an on-street corridor. He said the Xcel corridor is a bit redundant so it has dropped off the proposed corridor. There is the east/west corridor along 86th Street, which is the mid-city corridor. He said there been discussion about having a strong connection along 35W making use of an opportunity to improve the pedestrian bridge with the 35W bridge reconstruction over the Minnesota River. That is another strong north/south route that is proposed in this plan.

They listed the major updates that have occurred since the 2008 ATP: The InterCity trail in east Bloomington, the Old Cedar Avenue (OCA) Bridge, Hyland trail, MN River Valley trail, 35W bridge into Burnsville, several on-road improvements, intersection improvements to enhance pedestrian safety, and community connections. They said development of maintenance, operations, and prioritization will be key elements of the plan that is being developed along with signage, wayfinding, and branding.

Marohn said the City is not trying to add any new trail where it's not needed. She said a section on Xerxes was not identified on the map when the draft Plan was presented at the public open houses. She reported cyclists said they don't want to ride on Penn Avenue only to have to look for a different route.

Winstead said staff should draw a line on the map with every street, road, path, sidewalk and trail and call that the Plan. He said it should be any transportation that is an alternative to the automobile. He expressed concern that lines that aren't on the map aren't considered part of the ATP when they should be. He said Xerxes parallels France Avenue, which is a poorly maintained trail. He said when something comes up for reconstruction or something else, ATP should be turned on and the elements added at that point.

Marohn stated the ATP map is one of three components of the Plan. It's the low hanging fruit. She explained the rest of the system falls into the Safe Routes to School and Complete Streets Program and suggested maybe there could be a layering of the map.

McGarvey explained the map is a snapshot of the city over time and there is a lot of other context that supports the document and provides a rationale for when other projects come along. He said it's a comprehensive document and it helps City staff prioritize those immediate projects that come up.

Baloga asked about a PMP-type of program to maintain the City's existing trails. McGarvey replied they're in the process of prioritizing them and the PMP work they've identified to date. Then they'll review the corridors that have had work and those that need work.

Marohn said the City's sidewalk and PMP project that is being developed will be worked on side by side with this Plan. She said the Council will be receiving a condition rating report but it won't reflect the demand on a particular trail.

Baloga said that should tell Council which trails need work and funding to help create a usable trail system. He said the trail along West Bush Lake Road between Marth and Highwood is an unusable trail. He asked how the issue of adding more trails vs. improving the existing ones will be addressed.

City Manager Mark Bernhardson explained the intent isn't to build more new trails beyond what has already been planned. He said \$3 million was put into Strategic Priorities but trails were last on the list to be funded. It didn't garner a high priority when Council voted on it. He said Council will need to find the funding to reconstruct them. He said Council could go back and take a look at the prioritization. He said staff explored the City's ability to bond for them but there are some issues relating to special assessments and bonding.

Busse stated a map overlay showing the transit options would be helpful, as people might think of the ATP as pertaining to buses; not bicycles. Such an overlay would make it easier for Council to identify the gaps in the system.

Marohn and McGarvey continued with the presentation by presenting the signage/wayfinding recommendations to help pedestrians and bikers find better access to the transit facilities. It was explained the reason this is not a bike or pedestrian plan but rather an ATP Plan is because it integrates all of the different ways to recreate and commute to transit facilities. It was the non-single automobile plan that has been bicycle centric but also considered the pedestrian areas.

Abrams requested staff provide Council with the three intersections with the highest number of accidents. Marohn replied the higher frequency of pedestrian or bike-related incidents occur in the Lyndale Avenue corridor. Staff desires countdown timers at those intersections. She said many times the accidents occurring at uncontrolled intersections are at school crossings. Staff will incorporate the Safe Routes to School work they've been doing to develop a prioritized plan for pedestrian improvements.

Regarding the signage/wayfinding recommendation, Marohn said a hierarchy of signs has been developed. At key areas, pedestrians and bikers will be able to see the system as a whole before they carry on. She said there will be waymaking signs that provide information on adjacent amenities, retail corridors, etc. throughout the system. The directional signs are along the main corridors in the community. She said the public wants reinforcement that they are on the right road or trail. It was stated there is a desire to maintain signage consistency whether on state, regional, or City trails.

The presentation concluded with a project schedule. A draft document is anticipated within the next 6-8 weeks. It was mentioned there will be a bicycle ride this fall involving the Council.

Winstead mentioned riding bikes on 106th Street and said while the bike shoulder might be the appropriate width; it gets narrower when riders try to avoid the concrete curbing. Bikers end up riding closer to the traffic lane. He also mentioned debris collects along the curb line so perhaps the street sweepers need to be implemented to keep riders safe. Marohn said staff has asked Maintenance to provide them with the cost of doing an additional sweep.

Lowman reported he's received calls regarding 106th Street. He likes the Plan, for it includes some off-line routes and bike roads. He suggested staff consider adding years down the road, a lane in the center of the road or off to the side with some type of barrier. He said putting bike lanes down the middle might take the focus off of those roads being car centric. McGarvey replied there was discussion about identifying on-road systems and facilities and recognizing the standards for what facilities are appropriate for each type of roadway. Guides and Engineering feedback have determined what is appropriate for each street and what the funding will support.

No action required.

6.3 Organized Collection of Solid Waste Discussion

Requested Action: Provide input on the organized collection process.

Mayor Winstead stated this is an update on the status of the next steps towards organized collection. He said Foth LLC was chosen to guide City staff through the creation of the report and beyond.

Jim Gates, Deputy Director of Public Works introduced Dan Krivit and Jennefer Klennert, Foth consultants. Council was requested to provide input on the package that will be provided by the haulers for single-family residential in the first phase of organized collection. The Council was asked to provide input on two subjects:

1. Project parameters and City priorities.
2. Whether additional public input is desired prior to proceeding to engage the haulers in the statute-required hauler negotiation process.

Krivit presented the following information:

- Background: The Council made a decision on July 28, 2014, to move forward with an organized collection system. The process laid out by the 2013 Legislature will be followed. Enhancement of the public education piece will continue.

Lowman desired to see organics included in the recycling.

Krivit said solid waste includes trash, recycling, yard waste, organics and bulky waste services.

- Public Input – Without Task Force: Requires a 60-day negotiation process with the haulers. The Council has the right to discontinue the process at any time. If negotiations are successful with the haulers, the statute requires a public hearing be held. If the hauler proposal is not accepted by the City, the process goes to the Organized Collections Options Committee (OCOC). The OCOC reports to the City Council. Future steps depend on the OCOC Report and Council action.

Carlson asked about the negotiation process.

Krivit explained the Legislature's amendment in 2013 makes it very clear. The envisioned process is exclusive negotiations with existing haulers. There are seven haulers in Bloomington. The intent is that the City would initially establish the City's parameters and the City's priorities to be included in a contract. Council to establish what's important to the City and what's in the draft local contract that would then begin hauler negotiations. All seven haulers are called to a series of meetings. There is precedent from other cities. Those meetings are held behind closed doors. How the staff team will look has yet to be determined. The haulers will be asked to meet with a hauler representative so the City knows who is in charge of their communications. Lobbyists could be involved. It would be wise for the City to have the City priorities and guidance parameters in place prior to the negotiation process, as it sets the ground rules for the contract. It's a 60-day process that will result in a report to the Council.

Carlson asked if the vote had to be unanimous and staff replied no.

Gates explained the City would publicize a notice to start the process. That starts the time clock for the 60-day period. This would be formally moved on October 6. He suggested Council read the 2013 amended version of the statute (MS115A.94).

Baloga asked if the negotiation is collective with all seven haulers or is it serial.

Krivit replied it's collective. The question is, "does Council want seven contracts or just one?"

Gates said there is the possibility of a consortium whereby some or all of the haulers get together.

Krivit said the statute implies consortium.

Baloga asked if the consortium appoints a leader with whom the City will negotiate.

Krivit said he doesn't recommend that and indicated the negotiations should be with all of the haulers.

Winstead said there has to be an outline and then the haulers will provide their insight to see if it fits with the Council's vision.

Gates said staff would provide the haulers with the Council's guiding parameters and priorities for incorporation into the haulers' proposal.

- Bloomington's Goals and Priorities: The goals were broken down as follows based on Bloomington's 2025 Strategic Plan:
 - Social: Reduce truck noise and litter while improving safety.
 - Environmental: Improve recycling, composting and waste reduction, lower environmental impacts, and enhance public education and awareness.
 - Economic: Improve value of services; not just price. Increase services and competitive pricing. Minimize staff resources devoted to solid waste administration. Reduce road wear impacts.

Gates requested Council let staff know if these priorities are not what they desire to see in the local contract that will be submitted to the haulers prior to negotiations, as priorities will be part of the local contract.

Winstead's concern is that the business climate be protected as the haulers enter into the negotiations. He wants to see all licensed haulers in Bloomington have the ability to maintain and continue their services. He said that should be listed as one of Bloomington's goals or priorities. He said he would have a problem if a hauler drops out because of something the City is implementing or putting together; a City view or position.

Bernhardson asked what happens if the big haulers push out the smaller ones.

Winstead said he wants to have some conversation on that when it comes to the way it's negotiated or how it's done.

Bernhardson said while it will be a desire to have all of the current haulers participate, the reason why they might choose not to participate might be hard to determine.

Oleson said the current haulers are protected but there is some movement in the industry as far as consolidation and new ones coming on. He asked if two of the seven haulers chose not to participate, would two new haulers be allowed in. He asked which haulers are currently providing single sort recycling and which ones can't.

Bernhardson said this negotiation process only applies to the current haulers the day the City provides the notice. He explained if Council goes with the haulers' offer at the end of the 60 days and a hauler isn't part of it, they can join the consortium but no other new company would be allowed in per the contract. The free market would be no more. He asked what happens with contract renewal. Is there a renewal process?

Krivit replied all licensed haulers in Bloomington (assumes seven) are involved when the clock starts. Those are the seven haulers the City will negotiate with. It then plays out over the 60-day period. It involves exclusive negotiations with those seven haulers. If it's successful for all seven, those seven would be signers to a contract with the City and that consortium would be in a contract with the City. He said there is no allowance for haulers to come in after.

Winstead inquired as to the term of the contract.

Krivit replied it's a period of 3-7 years.

Winstead said the contract could be up for consideration in three years. At that time, it could be opened up to all new haulers but they wouldn't have any of the market share. He said it will be up to the City to allow a new hauler to bid in when the current contract expires or is renewed.

Bernhardson asked if the City would have to go to a competitive bid process to get new haulers into consortium model. He asked if the City has to negotiate with the existing haulers for a 60-day period again when the consortium model is done at the end of 3, 5, or 7 years.

Krivit said that's a legal question and wasn't sure if the statute says the City "has" to. He said he thought it would be the City's choice whether or not it wanted to open it up to newcomers at that point.

Gates suggested adding a priority that says the City will, to the best extent possible, maximize the use of all existing haulers.

Krivit said the priorities will serve the City along the first and second path in this process, as the same set of guiding principles will be used.

Oleson said he's heard residents' concerns regarding what if they don't have an option for shopping around for the best price and asked if the City could specify competitive pricing throughout all districts in the contract.

Winstead said the Council has to outline the points that will be presented.

Bernhardson said if the City goes ahead with the current haulers, gets a contract, and the Council votes for it, citizens will not have an option as to price. This is assuming an "across the board" pricing using a consortium.

Carlson suggested the City consider adding the following language from the statute to the criteria: "Each of the existing haulers that want to participate in the negotiations that day, maintain their respective market share of business as determined by each hauler's average customer count during a 6-month period prior to the commencement of the 60 days." The City would have some control over the livability issues by assigning them to a district to cut down on the noise and pollution.

Krivit said the statute must be the basis for making decisions on how to proceed with this whole process. All questions will have to be referred to in the statute. He said the market share issue is implied or addressed in the statute.

Carlson said it's the equitable piece Mayor Winstead desires to see, "that all existing haulers participate."

Gates said the City can, in conjunction with the local contract, expect a market rate in conjunction with the haulers' proposal.

Winstead said the haulers might have to agree to a price rather than bid a price.

Krivit said there will be a need for additional discussion at the Council level with regard to price. He said price and market share are pivotal issues. He said as an option that might come later, if the City doesn't successfully negotiate with all seven haulers, it could ask the haulers to figure it out.

Winstead said in order to divvy up the city and keep the intent of the statute in place; it's going to be in an increment at the size of the smallest hauler.

Krivit said he didn't think this would be an issue under Phase 3, (hauler negotiations) but if it goes to an RFP, then yes.

Bernhardson said in the first phase, the haulers could get together and say you can have this portion of the community and that is your 10%. This is your place in the community and this is your 50%, and so on. He said the haulers can divvy it up and you don't have to go to the smallest. If it goes to a bid, you might have to cut it to the smallest, but then you run the risk that if it's 25 zones, the smallest bidder might not get any of those zones because they might not be the lowest pricing of any of those zones.

Krivit stated the negotiation process will be a closed door, heart to heart negotiation with the haulers.

Carlson questioned what if it's a franchise agreement and not a bid. He said if the haulers form a consortium and determine a price, it's not an open bid process. He said the City is going to determine that through the fair market price and then go into business by offering a franchise agreement, which is an option according to the statute. He asked how you bid something out when all of the haulers have formed a consortium.

Krivit said because there is a need for the City to discuss price and market share with the haulers, it's legal under this process. He said if it weren't for the statute and the City's supervision, the haulers couldn't even discuss pricing.

Winstead said it would be good for the Council to have the data in hand on what the existing haulers are charging for certain services.

Krivit said they're recommending a price survey within the plan.

Busse suggested not getting so deep in the weeds at this level.

- Bloomington Program Parameters: Trash, recyclables, yard waste, bulky items, organics with variable rate pricing. It can be variable pricing depending on the size of the container, etc.
- Current Basic Package: This describes the current system but look at putting it into a contract form. Yard waste is optional. The contract needs to be standardized. Organics – service not required at the beginning of the new contract.

Lowman asked Krivit if he's ever seen where the weekly collection piece is part of the variable rate pricing.

- Package Options: Every other week collection is not standard but it's becoming more popular. Current stream is picking up recycling every other week but some cities are moving to weekly pick up. Yard waste could be optional or required; same with organics.

Baloga said his recommendation is that yard waste be optional.

Krivit said yard waste bags can be an option without subscribing by paying so much per bag during a peak season.

- Bulky items could utilize a voucher program. This assumes continuing the Curbside Clean-up Program. This contract can complement the Curbside Clean-up Program. The voucher program provides two vouchers to have something picked up and paying for the extras.

Oleson said the Curbside Clean-up Program could restrict picking up the larger items.

Bernhardson said if the contract is initially set up one way, something different could be required in year two or three of the contract.

Krivit said the City could trigger organics as part of the contract but have that negotiated later on.

Winstead said the Council wanted organics included from the very beginning.

Bernhardson asked if organics is mandated, will people have to pay for it whether or not they use it.

Krivit said it depends on what the haulers say. It will be made clear to them that organics be part of the contract.

- Package Options: You can incentivize the options with larger differences in the price increments.

Krivit said to make a difference as an incentive, it has to be in the 50% range of the price difference.

Baloga asked if the Council provided adequate guidance on the package options.

Public Works Director Karl Keel said there will be the standard “status quo” package but said there are a number of areas whereby the Council may want to go higher than the standard to try and influence behaviors in an effort to meet the City’s goals. He asked Council if they wanted to push the envelope with regard to price differences with the intent that the City is going to push people or incentivize people to make changes. Or, will the City offer cart sizes to incentivize people to recycle.

Bernhardson said the City would like to explore it to see how far the City can push it, get prices on the standard package and what the options cost.

Winstead commented it’s going to take input from the haulers.

Baloga questioned how much does the City want to influence the rates to incentivize the citizens of Bloomington to go with the action Council wants. It takes between 25% and 50% to move the needle between the different trash container sizes. He wants to move the public into smaller containers. He said many people have the large trash cans but they really need a larger recycling container. When the recycling bin is too small, people put the cardboard in their trash can.

Keel said a positive to incentivizing is it could help the City reach its goals quicker; but on the negative side, there is a certain amount of irritation that goes along with that. The harsher the City incentivizes, the more irritation could result.

Bernhardson said it can be mandated that customers have the same size recycling (get this) container as their trash container. If the trash bin is too small, its contents get co-mingled with the recycling and ruins the recycling content. The haulers could be asked to give the City variable pricing as they see it as well as the variable pricing that will make a difference without causing problems.

Lowman said he’d rather see incentives for recycling and organics such as if someone takes a class on recycling, their bill could be lowered.

Winstead said when meeting with the haulers, figure out if there is a way to address variable pricing that could help incentivize the whole system.

Baloga asked if it would be possible to get a copy of Hennepin County’s organics plan before it’s published.

Krivot said it won’t be available until October 18th.

Winstead said it would be beneficial to have the guidance of the County’s organics.

- Public Input – Without Task Force: Negotiate in good faith and try and make it successful. If it’s not successful, it goes to an OCOC committee that would be much more public to review all of the options. It could be made up of one Council member and six citizens. He said another alternative would be to create an Advisory Task Force before the 60-day period, which would begin on October 6.

Bernhardson said this is something the Council could do. He asked if the Council wanted more input on the parameters or go through the 60-day negotiation process right away. Does Council need more input or is it comfortable with the parameters? The starting of a public Task Force would add two months and \$18,000 to the process. If Council is comfortable with the parameters, staff is willing to just get into it and go.

Krivit stated the Advisory Task Force would include seven members; one City Council member. He said a concept discussed at the project team meeting was that the City Council members would appoint one member. There would be public engagement and community input in either process. He suggested a Web page be created for the organized collection process, which the City of St. Anthony did very successfully, and post the public documents. Allow comments to come in through the staff's team. He said the 60-day negotiations with the haulers must take place behind closed doors in exclusive sessions.

Baloga asked if the 60-day negotiation process could start with the haulers on January 6 with the availability of the Hennepin County Plan.

Bernhardson asked if the 60-day process could be extended if organics was a variable.

Krivit said this is working on a good faith effort. He said if there is a contract that is not acceptable to the City after 60 days, it goes to the OCOC. One of those options will be an RFP. That will be a lengthy process to draft and release the RFP, receive and review the proposals, and finalize the contract. That's why the City needs the time if it goes that direction.

Bernhardson said if the Council doesn't want to go with the two-month option, then the City is down to the basic Foth contract for the next phase. That is estimated to cost \$95,000 for Foth to assist City staff. If this is acceptable, the City believes it will be money well spent. If this is the direction Council wants to go, staff would bring this to the meeting on September 22 for Council approval and on October 6 or 13 to start the 60-day clock.

Gates said staff is shooting for success with Phase 3. He said Phase 3 will be what Council considers on September 22. He said if Phase 3 is not successful, staff would come back to Council for Phase 4, which includes the Options Committee work.

Winstead said there will be City staff involvement and there are provisions for a franchise fee. He asked the Council if they wanted a franchise fee added onto everyone's bill to fund the City's involvement and to keep it going. He said it could be used to help fund the education piece.

Krivit asked who would be handling the billing.

Bernhardson said the City wants the haulers to do the billing.

Krivit said there could be a City service fee within the hauler's fees.

Carlson asked if it could be a license fee. He said the Council needs to think about having a sustainable source to provide the education and the goal-related aspects of the Plan.

- Organized Collection Cost: Phase 3 will cost \$95,000. Staff estimated the cost between Phase 1 and Phase 5 would be a lump sum of \$80,000 for Phases 2, 3 and 4 with implementation costing \$80,000. Currently, the costs are slightly less than what was projected in May of 2013.

Krivit said City staff will handle the ordinances.

Baloga said the hauler negotiation window is a 60-day period of time so asked if the City is anticipating spending \$95,000 for 60 days.

Krivit said they will bring a package to Council on October 6 or October 13, which will outline all of the parameters of the contract.

- Next Steps: Approval of Phase 3 hauler negotiations only with Foth as the consultant on September 22. On October 6 or October 13, the priorities as well as program parameters will be presented from tonight's input. There will be no additional public involvement; just move forward. Staff will shoot for October 6 or October 13 to make the announcement of the beginning of the hauler negotiation process.

Input was provided.

6.4 2015 Preliminary Property Tax Levy & Internal Service Fund Budgets

Requested Action: Provide feedback on the 2015 Preliminary Property Tax Levy and Proposed General Fund Budget and the Conceptual 2016 Property Tax Levy and General Fund Budget and receive information on the 2015 Internal Service Funds.

Chief Financial Officer Lori Economy-Scholler, City Assessor Matt Gersemehl, and Budget Manager Cindy Rollins made this presentation. Council was reminded it has to adopt the Preliminary Tax Levy and General Fund Budget next week.

Gersemehl began the presentation by presenting the following slides: Minnesota Property Tax System, the Value Assessment Timeline, Factors Impacting Property Taxes, Excluding Tax Base Creates Shifts, Property Segments Market Value Changes, Historical View of Total Gross City Tax Capacity Comparison by Property Segments, the 2014 Assessment Results, and MN Homestead Credit Refund and Renter's Property Tax Refund.

Economy-Scholler continued the presentation by covering the following slides: Long Term City Trends, Historical Median Value Home Monthly Cost of City Services, Levy History Comparison, General Fund Revenue - History of Performance Lodging and Permits (3% lodging tax goes to the City's General Fund, 2% to the Port Authority, and 2% to the Bloomington Convention & Visitors Bureau), Proposed 2015 General Fund Revenues, Proposed 2015 Expenditures, Levy and City Monthly Cost (Option A=3.49%, Option B=4%, and Option C=5%), Budget Drivers "General Fund Summary" Accounts.

It was reported the City used more salt at the end of last winter so the supply needs to be replenished. Last year was the coldest since the 1970s and the snowiest since the 1980's.

Economy-Scholler continued her presentation with the following slides: Updated Tiered Services - Tier I, II and III (at 4%), Fund 420 Strategic Priorities at each increase level (3.49, 4 and 5%), and Strategic Priorities Summary.

Council provided the following feedback on the 2015 Preliminary Levy:

While Winstead supported setting the preliminary levy at 5%, some members wanted it set at 3.49%, and some at 4%.

Abrams commented she didn't want to assume a 3.49% because it would put a lot of pressure on the new City Manager's performance.

Baloga stated he still has concerns regarding the Golf budget and said there would be a tremendous surplus of \$800,000 if Hyland was removed.

Bernhardson said staff would discuss the Golf budget between now and the final levy so Council can decide if it wants to spend the \$800,000 on Golf or on something else. He reminded the Council that Golf transferred \$2.4 million to help out the Ice Garden over a period of time so the \$800,000 pays back the Golf Fund. He said an option would be to privatize the golf course or sell it off for lots and turn it into a subdivision. It's a City Council policy decision. Staff to provide that information to Council before the final levy.

Baloga said he can support a 4% preliminary levy as long as Council will be discussing the Golf Budget before the final levy is adopted.

Busse supported setting it at 4%.

(There was Council consensus for setting the preliminary levy at 4%.)

Rollins presented the following Internal Service Fund Budgets:

- Support Services
- Information Systems
- Equipment
- Public Safety Radio
- Accrued Benefits: (Liabilities to occur in 2019)

No action was required.

October Meeting Schedule

Bernhardson asked the Council to confirm their availability for the following meeting dates in October: October 13 regular meeting, October 20 study meeting to be changed to October 21 with a possible starting time of 6:30 pm, and the October 27 regular meeting.

There was Council concurrence with the October meeting dates as presented.

7 ADJOURN

Mayor Winstead adjourned the study meeting at 9:35 p.m.

Barbara Clawson
Council Secretary